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RR RUEHCN RUEHGH
DE RUEHIN #2266 1810900
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FM AIT TAIPEI

TO RUEHC/SECSTATE WASHDC 0963
INFO RUEHB/AMEMBASSY BEIJING 5366
RUEHUL/AMEMBASSY SEOUL 7907
RUEHK/AMEMBASSY TOKYO 7797
RUEHHK/AMCONSUL HONG KONG 6575
RUEHGH/AMCONSUL SHANGHAI 0221
RUEHGZ/AMCONSUL GUANGZHOU 9403
RUEHCN/AMCONSUL CHENGDU 1312
RUEHSH/AMCONSUL SHENYANG 5274
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS TAIPEI 002266

SIPDIS

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STATE PASS USTR
USTR FOR WINTER AND WINELAND,
TREASURY PASS TO FEDERAL RESERVE/BOARD OF GOVERNORS,
AND SAN FRANCISCO FRB/TERESA CURRAN

E.O. 12958: N/A

TAGS: EINV ETRD ECON PREL TW

SUBJECT: NEW FINANCE MINISTER NAMED

REF: A. A. TAIPEI 00261

B. B. TAIPEI 1462

¶1. On January 29, Premier Su Tseng-chang appointed Ho Chih-Chin, 54, Chairman of the Economics Department at National Taiwan University as Finance Minister to replace Joseph Lyu (Jye-Cherng). Lyu has only been in the position for five months (ref B) and is the first Ministerial change by Su since he took office January 25 this year. Lyu will be reassigned as a Minister without Portfolio in the Executive Yuan.

¶2. Premier Su praised the work of Lyu in the areas of financial reform and public securities administration. However, news reports paint Lyu as an ineffective Finance Minister who avoided the press and accomplished little during his tenure. Press reports highlighted recent scandals on his watch, including insider trading charges involving Taiwan Development Corporation and President Chen Shui-bian's son-in-law, and the recent battle over management control of state-owned Mega Holdings Financial Holding Company as contributing to Lyu's downfall.

¶3. Ho is an expert in taxation and assisted former finance minister Lin Chuan on tax reform policy, specializing in the reform of inheritance and gift tax. According to news reports, Ho, a former U.S. citizen, worked for the U.S. Internal Revenue Service as an economist from 1990-2003, specializing in tax reform. Ho also served as senior economist at the U.S. Department of Justice from 1990-1998. He gave up his U.S. citizenship when he returned to Taiwan in 2003 to teach at National Taiwan University. He earned a Bachelor's degree in Economics in 1974 from National Taiwan University (his classmate was Chen Shui-Bian) and a doctorate in economics in 1987 from the University of Michigan.

KEEGAN